

Indiana's Information Sector Primarily in Telecom and Publishing

Information sector data from the 2002 economic census has been released for the nation and the state. The information sector is comprised of seven subsectors, all primarily engaged in producing, processing and distributing information. Indiana had 2,267 establishments, with the bulk of its employment in telecommunications and publishing. The Hoosier information sector made up only 1.6 percent of the nation's establishments in this sector.

Figure 1 shows the make-up of the information sector in Indiana and the nation. Indiana's distribution of establishments is more concentrated than the nation's, with the telecommunication subsector outstripping the nation by 7 percentage points. Indiana's growth rate over the past five years in this sector has been almost half that of the nation's.

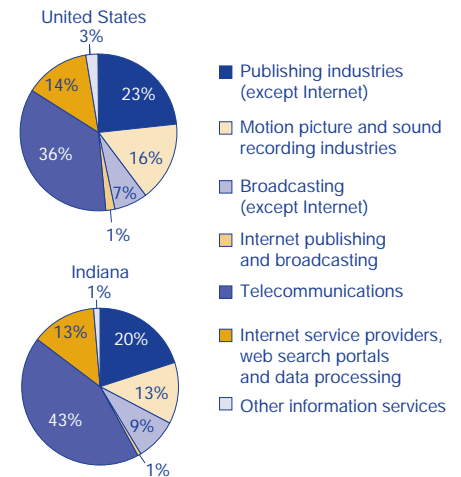
Figure 2 compares Indiana's information sector to the rest of the nation. At \$39,969, Indiana ranked 32nd in average earnings per employee.¹ Nine states came within 5 percent of Indiana's earnings: Oklahoma, Nevada, Arkansas and Wisconsin were above Indiana, while Utah, Rhode Island, Nebraska, Tennessee and Alabama fell just short of it.

Publishing Industry Highlights

Figure 3 looks at Indiana's second largest subsector: the publishing industry (except internet). Note that revenue data were not available for Indiana's largest subsector—telecommunications. In the publishing industry, the state generated approximately \$3.85 million per establishment, ranking 31st among the

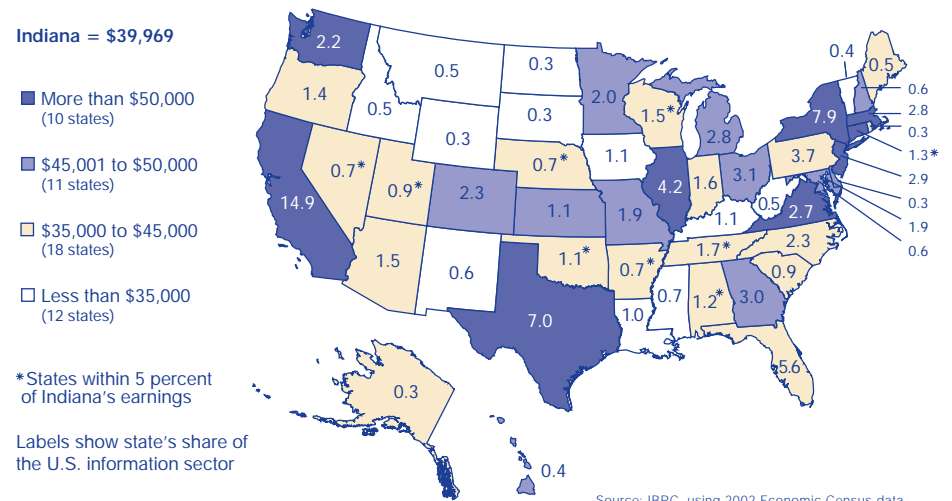
states and the District of Columbia. Indiana had approximately 31 employees per establishment engaged in publishing activities. Indiana's immediate Midwestern neighbors were yielding greater revenues than the state in the publishing industry but were utilizing more people to do so. The exception was Kentucky, which was generating substantial revenues but utilizing fewer employees than other states. Newspaper publishers in Indiana can claim the greatest number of businesses and employment in the

FIGURE 1: INFO SECTOR ESTABLISHMENTS



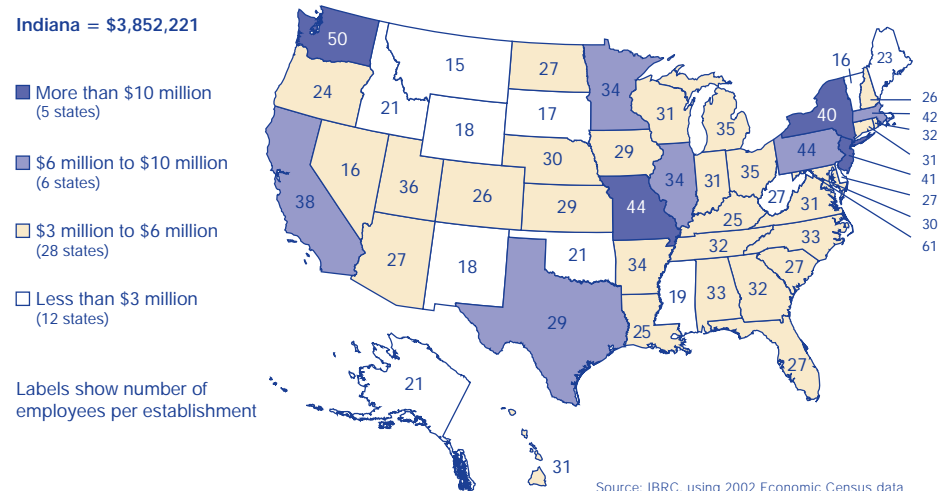
Source: IBRC, using 2002 Economic Census data

FIGURE 2: INFORMATION SECTOR AVERAGE EARNINGS PER JOB, 2002



Source: IBRC, using 2002 Economic Census data

FIGURE 3: PUBLISHING SECTOR REVENUES, 2002



Source: IBRC, using 2002 Economic Census data

industry and had 45 percent of the total revenue (see **Table 1**).

One might think more employees mean greater revenues, which seems to be the case (especially with the state of Washington, which had an average of 50 employees and generated \$29,324,230 per establishment).

Texas's publishing firms are getting a lot of mileage out of their employees. It ranked in the top 10 for revenue generation per establishment, but like Kentucky, did not utilize many employees (see **Table 2**).

Quite a bit of the county and place economic census data for Indiana is either not available or nondisclosable for confidentiality reasons, but **Table 3** looks at the counties and places for which we have data for the publishing industry. Marion County had by far the greatest number of publishing outfits in the state and generated the most revenue per establishment, even though it had fewer employees per location than Monroe and Madison counties. Hamilton County, which only had about 20 employees per establishment, ranks fifth in revenue. Almost half of Hamilton County's publishing businesses are in Carmel, and they contributed 62 percent of the revenue.

Notes

1. Average earnings per employee is annual payroll divided by the number of employees. Payroll includes all forms of compensation, such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay and employee contributions to qualified pension plans. Also included are tips and gratuities received by employees from patrons and reported to employers.

—Amber Kostelac, Data Manager, Indiana Business Research Center, Kelley School of Business, Indiana University

TABLE 1: INDIANA'S PUBLISHING SUBSECTOR, 2002

Industries	Establishments	Rank	Revenue	Rank	Employees	Rank
Newspaper Publishers	186	1	\$782,236	1	8,838	1
Periodical Publishers	88	2	\$177,365	4	1,228	4
Software Publishers	77	3	\$250,904	3	1,498	2
Book Publishers	45	4	\$286,795	2	1,320	3
Directory and Mailing List Publishers	40	5	\$156,277	5	607	5
Greeting Card Publishers & Other Publishers*	20	6	\$103,036	6	598	6

*Not an actual NAICS industry; combined data to display results
Source: IBRC, using 2002 Economic Census data

TABLE 2: SELECTED STATES BY REVENUE PER ESTABLISHMENT IN THE PUBLISHING INDUSTRY, 2002

State	Revenue per Establishment	Rank	Employees per Establishment	Rank
Top Ten States				
Washington	\$29,324,230	1	50	2
District of Columbia	\$16,138,433	2	61	1
New York	\$12,778,310	3	40	7
Missouri	\$11,905,822	4	44	4
New Jersey	\$10,347,824	5	41	6
Pennsylvania	\$9,601,976	6	44	3
Massachusetts	\$9,276,787	7	42	5
California	\$8,842,783	8	38	8
Texas	\$7,577,459	9	29	28
Illinois	\$6,851,443	10	34	13
Indiana's Peer States				
Florida	\$4,480,832	26	27	32
Arizona	\$4,325,992	27	27	31
Tennessee	\$4,094,163	28	32	17
Wisconsin	\$4,053,992	29	31	22
Rhode Island	\$3,879,289	30	32	18
Indiana	\$3,852,221	31	31	23
New Hampshire	\$3,746,634	32	26	36
Nebraska	\$3,541,196	33	30	26
Oregon	\$3,503,865	34	24	40
South Carolina	\$3,278,773	35	27	34
Hawaii	\$3,216,292	36	31	20

Source: IBRC, using 2002 Economic Census data

TABLE 3: PUBLISHING INDUSTRY HIGHLIGHTS,* 2002

County	Establishments	Revenue per Establishment	Rank	Employees per Establishment	Rank
Marion	95	\$8,236,547	1	43	3
Monroe	17	\$6,273,647	2	52	1
Lake	15	\$4,113,667	3	31	5
Madison	5	\$3,605,800	4	49	2
Hamilton	24	\$3,330,292	5	20	9
Delaware	6	\$3,279,333	6	32	4
Wayne	6	\$2,350,667	7	31	6
Elkhart	18	\$2,300,944	8	27	7
Boone	7	\$2,089,143	9	9	10
La Porte	10	\$1,264,000	10	20	8
City or Town					
Indianapolis	91	\$8,511,132	1	44	3
Fort Wane	13	\$5,239,615	2	48	2
Lafayette	5	\$5,185,200	3	51	1
Carmel	13	\$3,792,231	4	17	4

*Counties and cities for which publishing industry revenue was available. Others were either not available or not disclosable
Source: IBRC, using 2002 Economic Census data